Spend Management Checklist:

Six Questions to Consider

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We all know business spend is changing.
But does anyone know what to do about it?
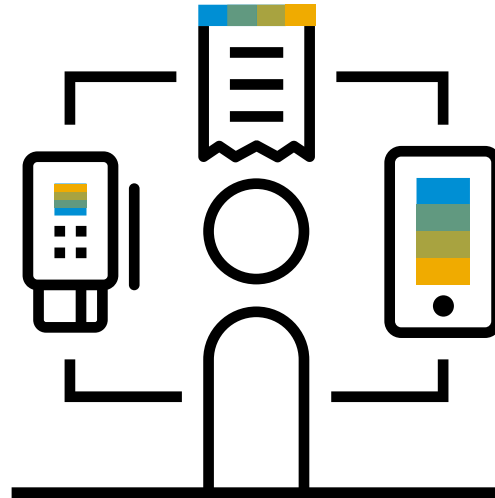
Business spend was evolving even before the pandemic, as more and more employees were spending with less and less oversight. Now, as companies find themselves in a constant state of flux and employees vacillate between working from the office and working from work, those changes are becoming even more significant.

Digital payment methods can no longer be avoided. The complexity of new payment categories (such as Personal Protective Equipment) must be addressed. And at a time when cashflow, costs, and budget controls are at their most critical, many companies are searching for ways to stay on top of spend.

Finance leaders are accelerating initiatives tied to cost optimization, working capital management, and real-time visibility – prioritizing AI, predictive analytics, RPA, and reporting.

Source: April 2020, Gartner Report

Cost control and expense management is a top solutions priority for IT leaders.

Source: CIO COVID-19 Impact Study, April 2020, IDG

Here's what
to watch for.

No matter how much it changes, spend is a constant. And the easier you make it for employees to buy what they need to get business done – in the right way – the more order, oversight, and visibility you'll get. **To see where you stand on spend management, and to find out how to improve, ask yourself the following questions.**

Q1

Does your expense report process support your policies, and vice versa?

Take a look at how expenses are entered and how expense reports are reviewed, approved, and reimbursed. If you're using manual, spreadsheet-based, error-prone processes, you're slowing down the data that informs your decisions. Automated processes, on the other hand, eliminate procrastination, mistakes, and other delays.

You also want to make sure spend policies are consistently applied. By reviewing approval and audit processes, you can be sure managers get a chance to see what's going to be spent before it happens – giving you the confidence that 100% of expense reports are being reviewed. If your processes are working correctly, reviewers will get all the information they need, and you'll know policies are being followed.

Q2

Is the right type of spending going on your p-cards?

Purchasing cards used the wrong way can be as problematic as personal cards – the spend may not be hidden, but it's certainly harder to manage. Examine your process to make sure checks and balances are in place to guide employees, so they know how, when, and where p-cards should be used, and you know reviews and approvals are automatically applied. Otherwise, purchasing card spend will remain out of your control.

Q3

Are you focusing on invoices?

If your invoices aren't all captured the same way and routed through a consistent process, it's hard to know if what you get billed matches what you received and if that matches what you were quoted. Double-check your systems to make sure they're working for all invoices. You'll want to ensure that safeguards are in place to avoid double-payment, and that the review process moves efficiently, so you don't end up paying late fees.

How adaptable
are you?

Since business spending is going to continue to change, it should be relatively easy to add new expense categories to track costs. Many companies, in fact, are adding categories during COVID-19, so they can track one-time costs for the short term and ensure they don't affect long-term planning. It's also important to be able to quickly put new processes and audit rules in place, as sudden shifts in budgets and tightened spending scrutiny are common during uncertain – and all – economic times.

Do your current reporting capabilities match your needs?

Business spend can hide in plain sight. Supplier payments that should be covered by POs can end up on expense reports, for example, and, if spending goes on personal cards, you have no visibility until expense reports are submitted and that can keep important spending information from you for months. To uncover and control it, you need to know not only what's being spent, but why.

Make sure you have detailed insight to assess how your spend categories are working and what needs to be changed or improved. Confirm your budget managers are getting the insight they need – this includes seeing what's spent, what's pending, and what's planned – so they can reallocate resources to where they're needed most and support business decision making.

Q6

What's the experience like for users?

Again, the easier it is for employees to buy what they need for work, the easier it is for you to see and control their spending. Make sure your policies guide them to the right supplier, the right product, and the right price – and that the rules you want them to follow are the easiest, fastest way for them to make a purchase.

And don't forget about how the process is working for your back-office teams. Automating spend management saves time on countless hours from approvals, invoices, audits, and exceptions, giving time to focus on more valuable work.
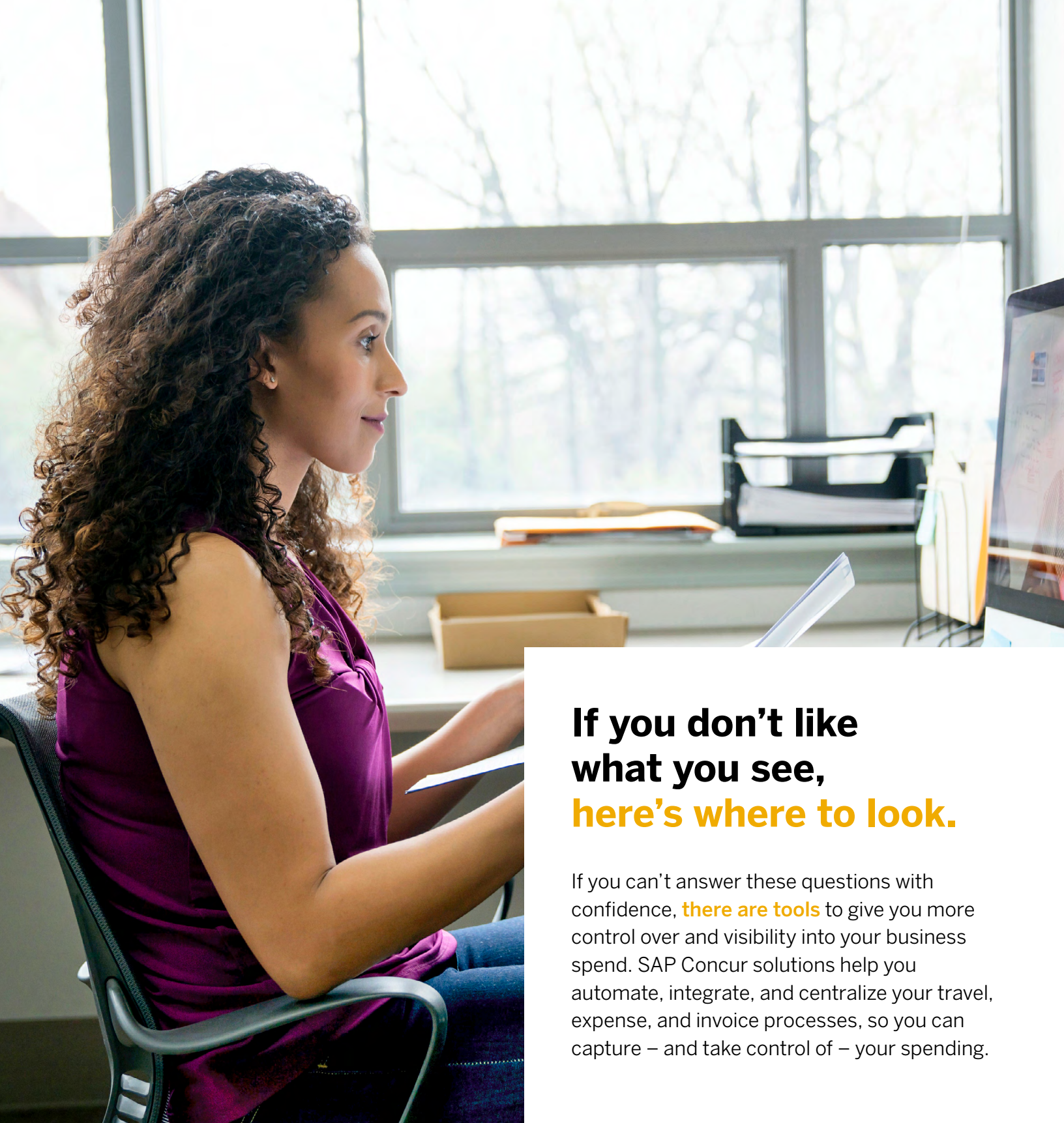
If you don't like what you see, here's where to look.

If you can't answer these questions with confidence, **there are tools** to give you more control over and visibility into your business spend. SAP Concur solutions help you automate, integrate, and centralize your travel, expense, and invoice processes, so you can capture – and take control of – your spending.

For more, visit **concur.com**

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